



Compliance management systems— Guidelines



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 - Australian Institute of Company Directors
 - Australian National Retailers Association
 - Australian Prudential Regulation Authority
 - Consumers Federation of Australia
 - Council of Small Business Organisations of Australia
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Australian Standard[®]

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PREFACE

This Standard was prepared by the Standards Australia Committee QR-014, Compliance Systems, to supersede AS 3806—2006, *Compliance programs*.

The objective of this Standard is to provide guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective and responsive compliance management system within an organization.

This Standard is identical with, and has been reproduced from ISO 19600:2014, *Compliance management systems—Guidelines*.

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CONTENTS

1	Scope	1
2	Normative references	1
3	Terms and definition	1
4	Context of the organization	5
	4.1 Understanding the organization and its context.....	5
	4.2 Understanding the needs and expectations of interested parties.....	5
	4.3 Determining the scope of the compliance management system.....	5
	4.4 Compliance management system and principles of good governance.....	6
	4.5 Compliance obligations.....	6
	4.6 Identification, analysis and evaluation of compliance risks.....	7
5	Leadership	8
	5.1 Leadership and commitment.....	8
	5.2 Compliance policy.....	9
	5.3 Organizational roles, responsibilities and authorities.....	10
6	Planning	13
	6.1 Actions to address compliance risks.....	13
	6.2 Compliance objectives and planning to achieve them.....	14
7	Support	14
	7.1 Resources.....	14
	7.2 Competence and training.....	14
	7.3 Awareness.....	16
	7.4 Communication.....	17
	7.5 Documented information.....	18
8	Operation	19
	8.1 Operational planning and control.....	19
	8.2 Establishing controls and procedures.....	19
	8.3 Outsourced processes.....	20
9	Performance evaluation	21
	9.1 Monitoring, measurement, analysis and evaluation.....	21
	9.2 Audit.....	25
	9.3 Management review.....	25
10	Improvement	26
	10.1 Nonconformity, noncompliance and corrective action.....	26
	10.2 Continual improvement.....	27
	Bibliography	28

INTRODUCTION

Organizations that aim to be successful in the long term need to maintain a culture of integrity and compliance, and to consider the needs and expectations of stakeholders. Integrity and compliance are therefore not only the basis, but also an opportunity, for a successful and sustainable organization.

Compliance is an outcome of an organization meeting its obligations, and is made sustainable by embedding it in the culture of the organization and in the behaviour and attitude of people working for it. While maintaining its independence, it is preferable if compliance management is integrated with the organization's financial, risk, quality, environmental and health and safety management processes and its operational requirements and procedures.

An effective, organization-wide compliance management system enables an organization to demonstrate its commitment to compliance with relevant laws, including legislative requirements, industry codes and organizational standards, as well as standards of good corporate governance, best practices, ethics and community expectations.

An organization's approach to compliance is ideally shaped by the leadership applying core values and generally accepted corporate governance, ethical and community standards. Embedding compliance in the behaviour of the people working for an organization depends above all on leadership at all levels and clear values of an organization, as well as an acknowledgement and implementation of measures to promote compliant behaviour. If this is not the case at all levels of an organization, there is a risk of noncompliance.

In a number of jurisdictions, the courts have considered an organization's commitment to compliance through its compliance management system when determining the appropriate penalty to be imposed for contraventions of relevant laws. Therefore, regulatory and judicial bodies can also benefit from this International Standard as a benchmark.

Organizations are increasingly convinced that by applying binding values and appropriate compliance management, they can safeguard their integrity and avoid or minimize noncompliance with the law. Integrity and effective compliance are therefore key elements of good, diligent management. Compliance also contributes to the socially responsible behaviour of organizations.

This International Standard does not specify requirements, but provides guidance on compliance management systems and recommended practices. The guidance in this International Standard is intended to be adaptable, and the use of this guidance can differ depending on the size and level of maturity of an organization's compliance management system and on the context, nature and complexity of the organization's activities, including its compliance policy and objectives.

The flowchart in [Figure 1](#) is consistent with other management systems and is based on the continual improvement principle ("Plan-Do-Check-Act").